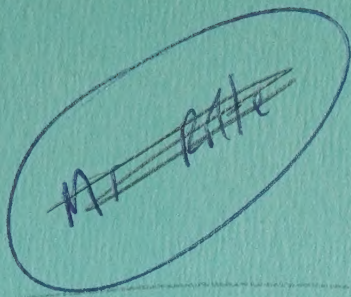


AR80

115th Annual Report 1969



Full

CANADA PERMANENT

WHAT IS CANADA PERMANENT?

Canada Permanent is one of Canada's largest trust, real estate and mortgage complexes. In many ways we are similar to a chartered bank. In fact, trust companies are often referred to as "near-banks". Like a bank we have savings branches located from coast to coast and we offer a variety of savings services to the public at competitive interest rates. In the case of our Term Savings (Debentures and Guaranteed Investment Certificates) our rates are higher than the banks' rates.

In addition to savings, we are one of the best-known lenders of first mortgage money in Canada. We provide a complete and highly specialized real estate and property management service. In the investment field, we manage large portfolios for individuals and companies and act as manager for our own very popular Investment Fund. More than \$23 million has been invested in this Fund in just over three years. We have experienced estate and will planners in most of our branches and have been acting as Executor and Trustee to Canadian families for generations. Many of Canada's leading companies have appointed us to handle their pension plans and to act as Transfer Agent for their shares and Trustee for their bond and debenture holders.

Canada Permanent has been growing since 1855 with assets (our own and those we administer for others) which total \$3 billion.

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OUR STANDING AT A GLANCE

	1969	1968
COMBINED TOTAL ASSETS, owned and under administration	\$3,129,179,000	\$2,936,116,000
CONSOLIDATED NET PROFIT	\$ 5,300,000	\$ 5,221,000
CONSOLIDATED NET PROFIT PER SHARE	74.6¢	73.5¢
COMBINED DEPOSITS, debentures and guaranteed investment certificates	\$1,186,365,000	\$1,063,017,000
COMBINED TOTAL MORTGAGES	\$ 966,058,000	\$ 825,381,000
ESTATES, TRUSTS AND AGENCIES	\$1,876,851,000	\$1,808,553,000
NUMBER OF SHAREHOLDERS	6,722	6,388
NUMBER OF EMPLOYEES	2,419	2,402



CANADA PERMANENT'S SENIOR MANAGEMENT—(Standing left to right) D. G. Neelands, President; J. D. Porter, Vice-President Finance Division. (Seated left to right) J. W. Rose, Executive Vice-President; A. Bruce Matthews, Chairman; J. W. Millar, Q.C., Vice-President Trust Division; K. Burn, Q.C., Vice-President Borrowed Money Division; J. P. S. Mackenzie, Vice-President Investment Division.

This year we are delighted to present your Company's Annual Report in a way that demonstrates—graphically—the kind of change that keeps Canada Permanent in pace with progress.

This report will be received not only by shareholders and by all employees, but also by a broad cross section of Canadians who are interested in your Company. The new format is designed to portray the company, its purposes, its people and its wide range of services.

While the growth and volume of business in 1969 established new records in all divisions, the consolidated earnings were not appreciably different from the previous year. Costs rose at a more rapid rate than revenue, a condition common to most businesses during periods of inflation. However, continuing efforts to place the Company in the best possible position to take advantage of changing conditions, coupled with considerable progress in the areas of operating efficiency, enabled us to sustain earnings.

Canada has been deeply involved in combating the world inflationary trend for the last two years. This has required the application of stringent monetary and fiscal restraints. Historically, the most prominent result of a prolonged inflationary trend is the high cost of money which invariably follows. Today's restraints therefore, must be accepted for a further period since the alternative of formal government action would be undesirable.

Any projection of Canada Permanent's course of action in the future is made difficult by factors over which we have little control. We are extremely conscious of the need to anticipate the effects of anti-inflation measures, proposed tax reform legislation, and competitive practices. Notwith-

standing these cloudy areas, all of our planning is directed toward serving the best interests of our clients and depositors and toward improving the position of shareholders. These goals are not in conflict as one supports the other when a better job is done all around.

Our operations during 1969, which are detailed on the pages that follow, together with organizational realignments, greatly enhance your Company's flexibility to operate effectively in 1970.

We await new Federal trust company legislation which will provide broadened opportunities. Meanwhile, the increased competition from chartered banks, as a result of the 1967 revision of The Bank Act, has increased the pressures upon us. Also as a result of that revision, we have lost ten experienced directors, who have made a most significant contribution to Canada Permanent over the years.

Much has been said during 1969 about the plight of the construction industry, and the shortage of housing in particular. Canada Permanent made a major contribution to the housing requirement by arranging new mortgage loans of approximately \$250,000,000 during the year, a net addition of \$140,000,000 to our already very large mortgage portfolio. This has been achieved under difficult conditions and at a declining margin between the cost of borrowed funds and our lending rates. We believe that as a responsible Canadian company, our action was in the best interests of the economy and the Canadian people whom we are in business to serve.

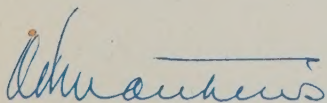
Your Company is in a period and process of change. This reflects itself in continued emphasis on operating methods to meet new conditions. Centralization and computerization, combined with well qualified and carefully trained people are providing more effective management of our clients' interests.

In addition, we are constantly updating marketing practices both in our approach to borrowed funds and the development of trust services. Services traditionally geared to the older generation are now being modified to meet the needs of the young Canadian as well. The driving force behind such change lies in the trend to youth in our organization. We are attracting young people, training them and listening to them since they are well informed spokesmen of the kind of market which we are now and will in the future be serving.

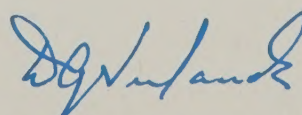
The record of achievement established by Canada Permanent during the last two turbulent years has been impressive. The results include a highly developed investment research department that has made an important contribution to the better investment of clients' and company funds; an ever increasing flow of money directed to mortgage investment; the provision of streamlined corporate services; a full range of investment and saving plans available to depositors at highly competitive rates; significant progress in the methods of administration of estate and agency accounts under the guidance of skilled trust and investment officers.

These advances were particularly important as they were achieved during a period of difficulty and change in security and money markets. Today the most serious cloud on the economic horizon is the philosophy expressed in the Government White Paper on Tax Reform, which could have a profound effect on the conduct of business in Canada. It is earnestly hoped that the good judgment of the Canadian public will prevail and greatly modify the implications of state control inherent in this document.

On the whole, we look to 1970 with well founded confidence in the capacity and ability of Canada Permanent to deal with present and future challenges. The Company is in an excellent flexible position to capitalize upon its role as a vital and growing force on the Canadian scene.



A. Bruce Matthews, *Chairman*



Donald G. Neelands, *President*

REVIEW OF OPERATIONS

Earnings

Consolidated net profit for the year was 74.6¢ per share compared with 73.5¢ (as restated) in 1968. Earnings per share are calculated on the total shares outstanding at December 31st of the respective years.

In 1969 two policies were adopted so that more realistic results from the normal operations of the companies could be reported.

1. Earnings have been charged with only that portion of the total provision for possible mortgage losses which relates to estimated losses in the normal course of business, the remainder being charged to undivided profits.
2. Security profits and losses, formerly included in earnings for the year, have been reflected in the statement of undivided profits.

As was the case in 1968, due to a steadily rising trend of costs, we experienced a further narrowing of the spread in interest rates with a consequent adverse effect upon 1969 earnings.

We are increasing our fee schedules where justified. However, the improvement in net revenue from the administration of estates, trusts and agencies will only be reflected in earnings over an extended period.

We are going through a period of heavy expenditures at present involving the use of professional consultants in the following areas: market surveys, salary administration, designing new automated systems for mortgage administration, accounting, profit planning, and costing. We are also studying the additional services which should be offered to the public in the near future. The benefits from these projects will be reflected in earnings gradually over the next five years.

Dividends

Dividends were paid at the rate of 56¢ per share, equal to 75% of earnings for the year. This represents a yield to the shareholder of 5.0% based on the current market value of the stock.

Income Taxes

Taxes have been paid as reassessed to December 31st, 1966. Full provision has been made in the accounts for additional taxes amounting to approximately \$1,400,000 which could be assessed on subsequent years' income. The company intends to appeal these reassessments, and we are still hopeful that a favourable decision leading to a recovery of these taxes will be reached.

Liquidity

The companies' funds have been more fully invested during the past year. However, our liquid position still exceeds the requirements of the governing Trust and Loan Companies' Acts by a substantial percentage.

Profit Planning

We are now into our second year of profit planning and improvements are continually being made to our system. It is generally conceded that it takes up to five years to perfect such planning devices. We already are well along the road. Part of the planning philosophy requires that, despite the current pressures on earnings, due emphasis must be given to training, education in the current principles of sound management, and research and development of new methods and services.

Computerization

We are continuing the design of new automated systems and the upgrading of old systems. During 1969 we introduced our first direct access inquiry system using visual display units in our debenture and guaranteed certificate department.

Members of that department now have instant access to information concerning our clients' investments and are able to promptly answer client queries by telephone. We will continue to keep abreast of all new developments in this field.

Mortgages

The volume of mortgages (less reserves) held for our own account is \$966,058,000, an increase of \$140,000,000 over a year ago. After reinvesting \$110,000,000 principal repayments received during the year, this reflects a total investment in new loans of \$250,000,000.

Average interest rates, on new loans which at the beginning of the year were made at 9¼%, rose to 10¾% on loans made towards the end of the year.

Demand and Term Deposits

Borrowings from the public increased by \$123,348,000 to \$1,186,365,000 at December 31st. The total increase was invested in mortgages.

The fact that the general public is becoming more conscious of movements in interest rates is reflected in the trend toward increasing term investments as opposed to savings deposits.

Interest rates on term deposits have increased from 6¾%-7% at January 1st to 8½%-8¾% at December 31st.

Assets under Administration

Total assets now exceed three billion dollars, having increased by \$193,063,000 during the year. The total includes company and guaranteed account assets of \$1,252,328,000 and estate, trust and agency assets of \$1,876,851,000.

Estate, trust and agency assets are valued at market value, at the date of acquisition of the account, with subsequent additions at cost.

We experienced a satisfactory increase in our revenue from corporate trusts and agencies as well as an increase in the number of accounts. The assets held for these accounts are not included in our balance sheet figures.

New estate, trust and agency assets coming under our administration in 1969 amounted to \$231,000,000.

Canada Permanent Investment Fund

The very large influx of new money was a notable feature of 1969. Net subscriptions were \$9,306,000, contrasting with \$3,741,000 in 1968. Clearly, an investment savings instrument where there are no charges whatsoever save for the management fee is very popular.

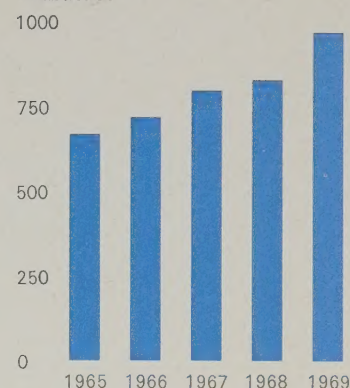
The Fund, formed only three years ago, closed 1969 with total assets of \$23,530,052. During 1969 the number of participants rose by 46% to 10,536, with the average investment increasing to \$2,422; practically 90% of the participants now reinvest income in additional units.

In face of the year's generally difficult and declining market background, the commitment of additional funds as large as 61% above 1968 year-end assets in itself posed particular problems of management and judgment. Accordingly, the drop in unit price by 58¢ to \$13.27, or by 4.2% during 1969, was a favourable result under the market conditions.

However, we stress longer term performance and the record is good. The original investor has seen capital appreciation since inception three years ago of 32.7% with an added amount from reinvestment of income.

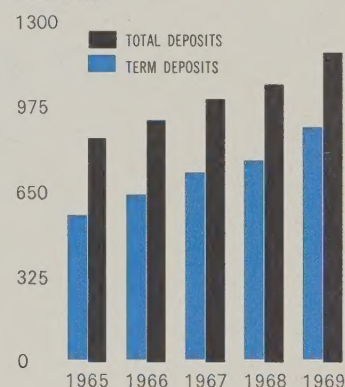
MORTGAGES

Millions of Dollars



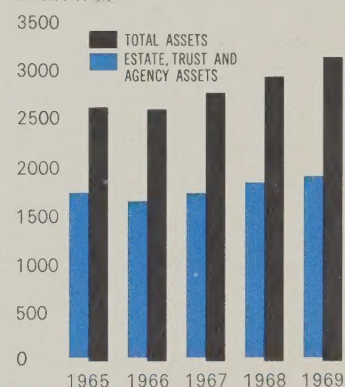
DEPOSITS

Millions of Dollars



ASSETS UNDER ADMINISTRATION

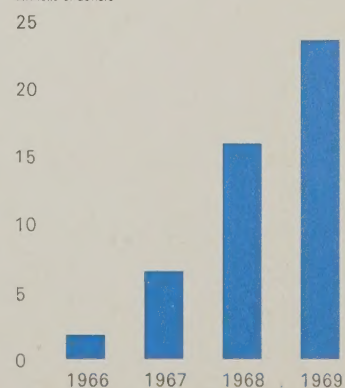
Millions of Dollars



CANADA PERMANENT INVESTMENT FUND

TOTAL ASSETS

Millions of Dollars



CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary company

CANADA PERMANENT TRUST COMPANY

Consolidated Statement of Revenue and Expense

For the Year Ended December 31, 1969

(With comparative figures for 1968, as restated) (Note 4)

REVENUE	1969	1968
Income from mortgage loans	\$ 71,883,000	\$61,638,000
Income from bonds, stocks and short term investments . .	14,415,000	14,451,000
Fees and commissions	15,421,000	13,014,000
Other operating revenue	1,033,000	668,000
Total Revenue	102,752,000	89,771,000
EXPENSE		
Interest on deposits, debentures and guaranteed investment certificates	66,325,000	56,600,000
Staff remuneration and other benefits	16,239,000	14,449,000
Depreciation	1,026,000	975,000
Other operating expenses	9,367,000	8,503,000
Provision for mortgage losses	192,000	163,000
Total Expense	93,149,000	80,690,000
Profit before income taxes	9,603,000	9,081,000
Income taxes (Note 3)	4,303,000	3,860,000
Net profit for the year (Note 2)	\$ 5,300,000	\$ 5,221,000
Net profit per share on the total shares outstanding on December 31	74.6¢	73.5¢

CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary company

CANADA PERMANENT TRUST COMPANY

Consolidated Statements of Undivided Profits and Reserve Fund

For the Year Ended December 31, 1969

(With comparative figures for 1968, as restated) (Note 4)

UNDIVIDED PROFITS

1969

1968

(See Note 2 to financial statements)

Balance at beginning of year

As previously reported \$ 1,719,000 \$ 1,452,000

Adjustment of prior years' income taxes (Note 3) 625,000 523,000

As restated 1,094,000 929,000

Net profit for the year 5,300,000 5,221,000

Net gain on sale of assets (1968—principally from sale of
office premises) less applicable income taxes 196,000 3,243,000

6,590,000 9,393,000

Deduct:

Dividends 3,976,000 3,971,000

Appropriation to mortgage reserve less applicable income
tax reductions 369,000 313,000

Appropriation to mortgage reserve additional to amount
provided on 1969 basis, less applicable income tax
reductions 904,000 388,000

Appropriation to investment reserve 1,100,000 2,894,000

Transfer to fully provide for deferred income taxes 733,000

5,445,000 8,299,000

Balance at end of year \$ 1,145,000 \$ 1,094,000

RESERVE FUND

Balance at beginning of year \$41,569,000 \$39,838,000

Premium received on issue of shares of the Corporation 16,000 2,417,000

41,585,000 42,255,000

Premium paid on acquisition of shares in Canada Permanent
Trust Company 9,000 686,000

Balance at end of year \$41,576,000 \$41,569,000

CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary company

CANADA PERMANENT TRUST COMPANY

Consolidated Balance Sheet, December 31, 1969

(With comparative figures at December 31, 1968, as restated) (Note 4)

ASSETS	1969	1968
Cash and bank deposit receipts	\$ 10,109,000	\$ 40,846,000
Loans secured by bonds and stocks	9,992,000	4,188,000
	<u>20,101,000</u>	<u>45,034,000</u>
Securities (Note 1)		
Bonds and debentures		
Bonds of or guaranteed by the Government of Canada	79,560,000	77,761,000
Bonds of or guaranteed by Provinces of Canada	60,397,000	57,508,000
Bonds of Canadian municipalities	15,932,000	18,187,000
Other bonds and debentures	57,446,000	53,671,000
	<u>213,335,000</u>	<u>207,127,000</u>
Stocks	31,543,000	29,830,000
	<u>244,878,000</u>	<u>236,957,000</u>
Advances to estates, trusts and agencies	2,198,000	1,881,000
Mortgages, less reserve	966,058,000	825,381,000
Office premises and equipment at cost, less depreciation	19,093,000	18,310,000
	<u>\$1,252,328,000</u>	<u>\$1,127,563,000</u>
 TOTAL ASSETS UNDER ADMINISTRATION		
Cash, securities and other assets held for estates, trusts and agencies	\$1,876,851,000	\$1,808,553,000
Consolidated assets as above—including assets of \$597,071,000 (1968—\$509,009,000) held for guar- anteed account	<u>1,252,328,000</u>	<u>1,127,563,000</u>
	<u>\$3,129,179,000</u>	<u>\$2,936,116,000</u>

LIABILITIES	1969	1968
Deposits	\$ 303,674,000	\$ 300,445,000
Debentures and guaranteed investment certificates . . .	882,691,000	762,572,000
	<u>\$1,186,365,000</u>	<u>\$1,063,017,000</u>
Income taxes payable	3,456,000	2,083,000
Dividend payable	994,000	994,000
Accounts payable	753,000	413,000
	<u>5,203,000</u>	<u>3,490,000</u>
Deferred income taxes	<u>3,838,000</u>	<u>4,195,000</u>

SHAREHOLDERS' FUNDS

Capital stock

Authorized—10,000,000 shares of the par value of
\$2 each

Issued —7,100,594 shares (1968—7,099,049 shares)	14,201,000	14,198,000
Reserve fund	41,576,000	41,569,000
Undivided profits	1,145,000	1,094,000
	<u>56,922,000</u>	<u>56,861,000</u>
	<u>\$1,252,328,000</u>	<u>\$1,127,563,000</u>

We hereby certify that to the best of our knowledge and belief the consolidated balance sheet at December 31, 1969 and the accompanying consolidated statements of revenue and expense, undivided profits and reserve fund for the year ended December 31, 1969 are correct and show truly and clearly the financial condition of the Companies' affairs and the results of their operations.

A. BRUCE MATTHEWS, <i>Chairman of the Board</i>	} <i>Directors</i>
D. G. NEELANDS, <i>President</i>	
J. W. ROSE, <i>Executive Vice-President and General Manager</i>	

CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary company

CANADA PERMANENT TRUST COMPANY

Notes to Consolidated Financial Statements

December 31, 1969

1. SECURITIES

Government of Canada and provincial securities are stated at amortized cost. Other securities, after application of investment reserve, are stated at amounts which in total are not in excess of quoted market value.

Included in the investment in stocks are 112,500 shares of Canada Permanent Mortgage Corporation purchased by its subsidiary, Canada Permanent Trust Company, as an investment and carried at cost of \$606,659.

2. REVISIONS IN ACCOUNTING POLICY

In 1968 and prior years, amounts provided for mortgage losses were charged entirely against earnings. In 1969 the policy was adopted of charging earnings with only the proportion of the provision relating to estimated losses incurred in the normal course of business, with the balance being charged to undivided profits as an appropriation to cover extraordinary losses which could arise in the event of a major economic recession. In addition, the basis of calculating the total amount of the annual provision and appropriation was revised.

Further, in 1968 and prior years, the policy was to include in net profit for the year, gains or losses realized on securities held in the Mortgage Corporation's portfolio and on securities held for the guaranteed account of the Trust Company. Gains or losses on sales of securities held in the Trust Company capital account as well as gains or losses on sales of office premises were transferred directly to the investment reserve. In 1969 the policy was adopted of reflecting all security and office premises gains and losses in undivided profits.

3. INCOME TAXES

The Corporation intends to appeal income tax assessments totalling approximately \$1,600,000 in respect of the years 1964 to 1966. To December 31, 1969 full provision had been made by the Corporation in its financial statements for the amounts assessed, as well as for additional taxes of \$1,400,000 which would arise in respect of the years 1967 to 1969 should the appeals be denied.

Of the total amount provided in respect of the aforementioned assessments, \$714,000 relates to assessments received in 1969 and not previously provided for. In the accompanying financial statements, the portion thereof which is applicable to 1967 and prior years has been charged to undivided profits at January 1, 1968. The portions relating to 1968 and 1969 (\$102,000 and \$89,000 respectively) have been charged to income tax expense in those years.

4. 1968 COMPARATIVE FIGURES

The 1968 comparative figures included in the accompanying consolidated financial statements have been restated to reflect certain account reclassifications adopted in the 1969 year and to reflect the revisions in accounting policy explained in note 2 above and the income tax provisions referred to in note 3, the effect of which has been to increase the net profit for 1968 by \$250,000.

Auditors' Report

To the Directors of

CANADA PERMANENT MORTGAGE CORPORATION:

We have examined the consolidated balance sheet of Canada Permanent Mortgage Corporation and its subsidiary, Canada Permanent Trust Company, as at December 31, 1969 and the consolidated statements of revenue and expense, undivided profits and reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Companies as at December 31, 1969 and the results of their operations for the year then ended.

THORNE, GUNN, HELLIWELL & CHRISTENSON	} <i>Auditors</i>
CLARKSON, GORDON & CO.	

Toronto, January 27, 1970.

CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary company

CANADA PERMANENT TRUST COMPANY

Statistical Review (Note 1)

(000's omitted)

Position at year end	1969	1968	1967
Company assets			
Mortgages.....	\$ 966,058	\$ 825,381	\$ 796,936
Other.....	286,270	302,182	273,630
	<u>1,252,328</u>	<u>1,127,563</u>	<u>1,070,566</u>
Estate, trust and agency assets.....	1,876,851	1,808,553	1,698,402
Total assets under administration.....	<u>3,129,179</u>	<u>2,936,116</u>	<u>2,768,968</u>
Savings deposits.....	303,674	300,445	291,845
Debenture and guaranteed investment certificates.....	882,691	762,572	715,703
Total borrowings.....	<u>1,186,365</u>	<u>1,063,017</u>	<u>1,007,548</u>
Shareholders' funds.....	56,922	56,861	54,481
Number of shares issued.....	<u>7,100</u>	<u>7,099</u>	<u>6,857</u>
Results for the year (Note 2)			
Revenue.....	<u>102,752</u>	<u>89,771</u>	<u>82,511</u>
Expenses			
Interest.....	66,325	56,600	49,145
Staff remuneration.....	16,239	14,449	13,788
Other operating expenses.....	10,585	9,641	9,819
Total expenses.....	<u>93,149</u>	<u>80,690</u>	<u>72,752</u>
Profit before income taxes.....	9,603	9,081	9,759
Income taxes.....	4,303	3,860	4,306
Net profit.....	<u>5,300</u>	<u>5,221</u>	<u>5,453</u>
Dividends.....	<u>3,976</u>	<u>3,971</u>	<u>3,705</u>
Statistics per share			
Earnings (Note 3).....	74.6¢	73.5¢	79.5¢
Dividends.....	56.0¢	56.0¢	54.0¢
Shareholders' equity.....	\$ 8.02	\$ 8.01	\$ 7.95

NOTES:

1. The current practice in financial reporting is to include a five or ten year statistical review. Because of the merger of trust companies in 1967, comparable statistics are not available for the years prior to 1967.
2. The 1968 and 1967 figures have been restated in accordance with the policy changes set out in Note 2 to the financial statements.
3. Based on total shares outstanding on December 31 of each year.

Many Things to Many People . . .

We are a company involved with Canada. More importantly, we are a company involved with Canadians.

Broadly speaking, Canada Permanent touches the life of every Canadian through hundreds of millions of dollars invested in the economic foundation and growth of our country, its commerce, finance, business and industry.

But Canada Permanent's involvement in the lives of Canadians is much more specific than that. Canada Permanent is a company of 2,500 people, whose total resources and service capability is closely integrated with the life and welfare of the Canadian citizen as a private individual. And as our operations broaden and expand—we become more and more involved. Our services parallel the lives, objectives and needs of Canadians.

While Canada Permanent's annual report remains the formal documentation of our financial performance over the past year, our performance—like our service—is more and more a reflection that Canada Permanent is many things to many people . . .



Behind many of Canada's most vital construction projects—and the men who conceive and build them—are Canada Permanent funds. It is a silent partnership that, in end result, provides private homes, apartment buildings, shopping centres and industrial buildings: essential facilities in our expanding economy.

MORTGAGE FINANCING is the working language of Canada Permanent's on-the-job partnership with owner, architect, engineer, builder and workman.

But the partnership only begins here, on the job. Canada Permanent touches the personal and family life of each of these men. Like their counterparts in all professional and business occupations, they look to Canada Permanent's wide range of services that are designed to parallel the lives, needs and personal financial objectives of Canadians.





ESTATE PLANNING is practical planning for the future. Experienced Trust Officers, drawing upon Canada Permanent's expertise in investment, taxation and accounting, carefully analyze the client's needs—his assets and liabilities—and devise an estate plan that ensures maximum protection and income for his family.



"I NOMINATE AND APPOINT CANADA PERMANENT TRUST COMPANY TO BE THE EXECUTOR AND TRUSTEE OF THIS MY WILL . . ."

Thousands of Canadians do. They rely upon Canada Permanent's experience and personal interest that brings to bear all of the specialized skills of estate management, on behalf of the client's family.



THE CANADA PERMANENT PENSION DEPARTMENT administers the pension contributions of many fine Canadian companies and their employees. Canada Permanent's role is to prudently invest these contributions for the best possible performance, with the objective of providing higher pensions—at lower costs to employer and employee.



CANADA PERMANENT SAVINGS ACCOUNTS—Special, Regular and Term—are designed to meet the chequing and savings needs of every Canadian family, and every member of the family. Canada Permanent business hours are convenient and our employees take particular pride in providing friendly, interested service.



CANADA PERMANENT INVESTOR SERVICES bring to bear our company's continuing and in-depth research into sound investment opportunities—with the emphasis upon performance, good management, good growth and profit potential.

CANADA PERMANENT'S RETIREMENT SAVINGS PLAN is an immediate tax-saving program through which many Canadians save for the future, provide their own pensions or augment other pension plans.



'A CANADA PERMANENT MORTGAGE' has been a household phrase for more than a century in Canada. This is the very heart of our business. Our company provides mortgages that mean—simply but vitally—homes for thousands of Canadian families.

DEBENTURES & GUARANTEED INVESTMENT CERTIFICATES are safe, short-term (1-5 years), high-interest investments. For many clients they are the means of generating attractive guaranteed income. Others use Debentures and G.I.C.'s to provide for anticipated expenditures—like sending the children to college.



THE CANADA PERMANENT INVESTMENT FUND appeals to Canadians who prefer the "mutual fund" concept of investing in the stock market. C.P.I.F. performance, our company's research facilities and the absence of commissions or loading charges, have made this a popular method of investing.





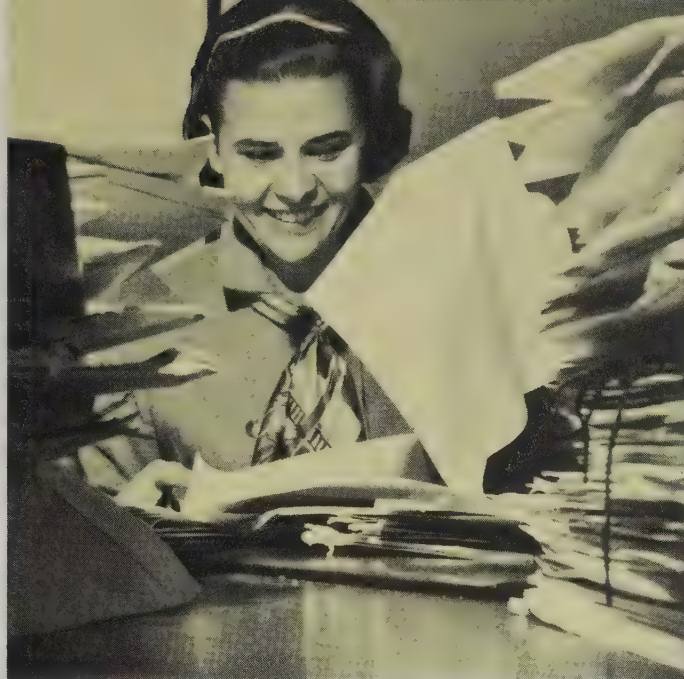
CANADA PERMANENT—REAL ESTATE. The words are synonymous throughout Canada—not only because of our great number of successful sales over the years, but because Canada Permanent is respected in this important field for the way in which it conducts business, for its judgement and for the reliability of its appraisals.

WE THANK OUR CLIENTS
FOR THEIR ASSISTANCE
IN THE PREPARATION OF THIS REPORT

- William P. Pigott, President,
Pigott Construction Company Limited
- D. M. Blenkhorne, F.R.A.I.C., Partner, Shore & Moffat
and Partners, Architects, Engineers, together with
Mrs. Blenkhorne and family
- Louis Roux, Project Supervisor, Shore & Moffat
and Partners, and Mrs. Roux
- The family of Mr. and Mrs. W. R. Dalgleish, Oakville
- Union Carbide Canada Limited



Isabelle Paradis, a Grand Prize Winner of CP's Writing Contest meets the Governor-General.



Sorting 1,500 entries in the CP Writing Contest.



CP's first billboard advertising—Bay Street, Toronto.

Some Highlights of 1969

Canada Permanent is many things to many people. And it is the continuing objective of our aggressive programming in business development, advertising, sales promotion and public relations to make Canadians aware—keep them aware—of our company's wide range of services that are keyed to the financial needs and planning of the individual. A few of our projects of the past year are illustrated on this page.



C.N.E. Booth where Thunderbird was lucky draw prize.



D. G. Neelands presents keys to Thunderbird winner.

Officers of Canada Permanent

Head Office, Canada Permanent Building, 320 Bay Street, Toronto

	Chairman	A. Bruce Matthews
	President	Donald G. Neelands
	Executive Vice-President	J. W. Rose
TRUST DIVISION	Vice-President	J. W. Millar, Q.C.
	Assistant General Manager—Personal Trust	Berkeley Hynes
	Assistant General Manager—Corporate Services	B. B. Upshall
	Assistant General Manager—Pension Trust	H. K. Minns
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	Assistant General Manager—Borrowed Funds	E. E. Spencer
	Assistant General Manager—Premises	N. M. Dingle
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	Deputy General Manager	R. P. Howard
	Assistant General Manager & Treasurer	H. W. Purchase
	Assistant Treasurers	Robert R. Peace, G. E. Gordon Forbes, J. F. Miller
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	Controller	E. A. Fricker, C.A.
	Assistant General Manager—Information Systems	R. M. Dragan
PERSONNEL DIVISION	Assistant Vice-President	N. G. Wright
CORPORATE SECRETARY'S DIVISION	Assistant Vice-President & Secretary	E. G. Dewling
	Associate Secretary	Ronald A. Parker
MARKETING DIVISION	Assistant Vice-President	D. H. W. Bath
	Manager, Advertising & Public Relations	M. D. Sinclair
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	Assistant Vice-President—Ontario Branches	E. J. Brown, Q.C., Toronto
	Assistant General Manager & Branch Manager, 320 Bay St., Toronto	E. H. Smith
	Assistant General Manager & Branch Manager, 1901 Yonge St., Toronto	A. E. Stead
	Supervisor, Toronto Savings Branches	A. C. Langley
Atlantic Region	Vice-President	J. K. Wedlake, Halifax
	Assistant General Manager & Branch Manager, 5160 Prince St., Halifax	Murray A. North
Quebec Region	Vice-President	J. E. Nadeau, Montreal
Western Region	Vice-President	C. R. Wilson, Winnipeg
British Columbia Region	Vice-President	S. J. Budge, Vancouver
	Assistant General Manager & Branch Manager	H. K. Naylor, Vancouver

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Vice-Chairman, Canadian Bechtel Limited

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Industrialist

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President, North-Eastern Corporation, Ltd.

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Company Director

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Partner, Geoffrion, Robert & Gélinas, Inc.

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Chairman, The Dominion of Canada General Insurance Company

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Member of The Senate of Canada

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Member of The Senate of Canada

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President, Burritt Travel Service Ltd.

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†Canada Permanent Trust Company

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Partner, Maclaren, Corlett & Tanner

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Partner, MacNeil, MacNeil & Colborne

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H. W. Manning † Winnipeg
Company Director

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Partner, Fraser & Beatty

Norman J. McLean † Toronto
Director, Canada Packers Limited

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J. W. Millar, Q.C. † Toronto

William H. Mowat *† Vancouver

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President, Pigott Construction Company Limited

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Partner, Robertson, Lane, Perrett, Frankish & Estey

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Counsel, McCarthy & McCarthy

David P. Rogers † Toronto
Chairman, Union Gas Co. of Canada, Ltd.

J. W. Rose *† Toronto

Rhys M. Sale, LL.D. † Toronto
Company Director

Laurence M. Savage *† Galt, Ontario
Company Director (Deceased Dec. 19, 1969)

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Chairman, Scythes & Company Ltd.

Clifford Sifton, D.S.O., Q.C. *† Toronto
Chairman, Armadale Co. Limited

Wallace W. Smith † Lunenburg, N.S.
President, Lunenburg Sea Products Ltd.

James W. Speirs † Winnipeg
President, Modern Dairies Ltd.

Colin M. A. Strathy, Q.C. *† Toronto
Partner, Strathy, Archibald, Seagram & Cole

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Norman E. Whitmore * Regina
President, Whitmores Limited

Thomas Wilding † Toronto
Director, Shaw & Begg Limited

Kenneth A. Wilson, Q.C. † Montreal
Counsel, Lafleur & Brown

Honorary Director—Gordon C. Lindsay, C.B.E.

The following directors resigned during the year by reason of provisions of the Bank Act:

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*Canada Permanent Mortgage Corporation †Canada Permanent Trust Company

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Prince Edward Island	
CHARLOTTETOWN	129 Kent Street, Manager, Donald H. Stanhope (902) 892-2417
Nova Scotia	
DARTMOUTH	170 Portland Street, Manager, F. A. Kieley (902) 463-1055
HALIFAX	1646 Barrington Street, Manager, J. E. Donahoe (902) 422-1531 5160 Prince Street, Manager, Murray A. North (902) 422-1531
LUNENBURG	36 King Street, Manager, G. C. MacDonald (902) 634-8809
NEW GLASGOW	141 Provost Street, Manager, C. D. Fulmore (902) 752-2593
SYDNEY	199 Charlotte Street, Manager, H. T. Young (902) 539-3640
New Brunswick	
FREDERICTON	67 Carleton Street, Manager, R. S. Payne (506) 475-8858
MONCTON	814 Main Street, Manager, N. A. Edwards (506) 855-1160
SAINT JOHN	53 King Street, Manager, R. R. Scarborough (506) 657-2770
QUEBEC REGION	J. E. Nadeau, Vice-President, 600 Dorchester Blvd. W., Montreal (514) 861-8855
MONTREAL	600 Dorchester Blvd. West, Manager, J. E. Nadeau (514) 861-8855 1326 Greene Avenue, Westmount, Manager, D. B. Lane (514) 861-8855 Real Estate Office 85 Metropolitan Blvd., Pointe Claire, Quebec (514) 697-4415
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BRANTFORD	70 Market Street, Manager, A. E. Quinlan (519) 759-4020
BROCKVILLE	20 King Street West, Manager, R. N. Beech (613) 345-1815
GALT	27 Water Street North, Manager, J. Dale (519) 621-4610
HAMILTON	39 James Street South, Manager, J. L. Collis (416) 522-2422 Real Estate Office 950 King Street West, Hamilton (416) 528-0267
KITCHENER	19 King Street East, Manager, John M. Clarke (519) 743-4191
LONDON	361 Richmond Street, Manager, Norman A. Mitchell (519) 433-1761
OAKVILLE	233 Lakeshore Road East, Manager, J. H. Herring (416) 845-7138
OSHAWA	Oshawa Shopping Centre, Manager, J. W. Froud (416) 728-9482
OTTAWA	30 Metcalfe Street, Manager, A. Nicolle (613) 237-4550
PORT HOPE	113 Walton Street, Manager, C. M. Lawson (416) 885-6353
SARNIA	195 Christina Street North, Manager, N. J. Lundvall (519) 337-3717
SAULT STE. MARIE	629 Queen Street East, Manager, E. Hamilton Smith (705) 254-7355
SUDBURY	120 Durham Street South, Manager, R. J. D. Dench (705) 675-2221
THUNDER BAY	239 Arthur Street, Manager, E. S. Hird (807) 345-1228

TORONTO	320 Bay Street, Manager, E. H. Smith.....	(416) 362-7262
	3114 Bathurst Street, Manager, F. R. Cordick.....	(416) 789-7311
	2518 Bayview Avenue, Manager, J. G. Wigglesworth.....	(416) 444-4457
	36 Bloor Street West, Manager, W. G. Howlett.....	(416) 927-4711
	2972 Bloor Street West, Manager, David H. Boyd.....	(416) 233-1201
	2901 Danforth Avenue, Acting Manager, K. Steele.....	(416) 691-2125
	123 Eglinton Ave. East, Manager, G. W. B. Kay.....	(416) 485-9183
	45 Eglinton Square, Manager, Paul Abbott.....	(416) 751-0611
	34 King Street West, Manager, P. B. Myles.....	(416) 368-6081
	10 St. Clair Ave. West, Manager, Lyle H. Wilson.....	(416) 922-6135
	1943 Weston Road, Manager, H. M. Falconer.....	(416) 247-8276
	1901 Yonge Street, Manager, A. E. Stead.....	(416) 481-3443
	3335 Yonge Street, Manager, M. K. Longbottom.....	(416) 487-3401
	4833 Yonge Street, Manager, D. H. Wilson.....	(416) 223-2110
	148 Yorkdale Shopping Centre, Manager, W. M. Grottenberg.....	(416) 787-5632
	Real Estate Offices	
	1901 Yonge Street.....	(416) 485-9145
	2968 Bloor Street West.....	(416) 231-5632
	28 Eglinton Square.....	(416) 751-0611
	32 King St. West.....	(416) 362-7431
WINDSOR	545 Ouellette Avenue, Manager, S. Mentiply.....	(519) 252-6551
WOODSTOCK	539 Dundas Street, Manager, A. A. Mowat.....	(519) 539-2002

WESTERN REGION C. R. Wilson, Vice-President, 433 Portage Avenue, Winnipeg..... (204) 947-0441

Manitoba

WINNIPEG 433 Portage Avenue, Manager, Howard P. Miller..... (204) 947-0441

Saskatchewan

REGINA 1778 Scarth Street, Manager, C. W. Conrad..... (306) 525-3741

SASKATOON 170 Second Avenue South, Manager, A. Keith Forsyth..... (306) 652-1700

Alberta

CALGARY 315 Eighth Avenue S.W., Manager, E. J. Patterson..... (403) 266-1071

Real Estate Office

Chinook Centre, MacLeod Trail, Calgary..... (403) 252-3351

EDMONTON 10038 Jasper Avenue, Manager, S. B. Noble..... (403) 422-2131

BRITISH COLUMBIA REGION

S. J. Budge, Vice-President, 455 Granville Street, Vancouver..... (604) 684-0466

CHILLIWACK 61 Yale Road East, Manager, B. W. Towler..... (604) 795-9166

KAMLOOPS 190 Seymour Street, Manager, R. Kevin Lane..... (604) 372-9541

PENTICTON 262 Main Street, Manager, J. D. Lank..... (604) 492-0145

PRINCE GEORGE 444 Victoria Street, Manager, R. E. White..... (604) 563-0646

VANCOUVER 455 Granville Street, Manager, H. K. Naylor..... (604) 684-0466

2699 Granville Street, Manager, R. S. Robson..... (604) 731-6554

2154 West 41st Avenue, Manager, J. W. Rogers..... (604) 266-7101

Real Estate Offices

4488 Main Street, Vancouver 10..... (604) 876-7111

2001 West 41st Avenue, Vancouver 13..... (604) 266-4155

1764 Lonsdale Avenue, North Vancouver..... (604) 988-6131

3953 East Hastings Street, Burnaby, B.C..... (604) 291-2821

VICTORIA 1125 Douglas Street, Manager, R. Frank Allen..... (604) 386-1361

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Moncton, N.B.	<i>Chairman</i> C. M. P. Fisher John Burchill Gerald L. Comeau A. G. English	J. K. Grainger W. G. Stewart, Q.C.
Fredericton, N.B.	<i>Chairman</i> D. C. Campbell Brig. E. C. Brown B. L. Jewett, M.D.	Arthur McF. Limerick, Q.C. Frank I. Morrison
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Sydney, N.S.	<i>Chairman</i> John MacNeil, Q.C. Roy D. Duchemin, Q.C. Gordon Elman James G. Hackett, Q.C.	D. Owen Hartigan Daniel A. MacDonald
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Montreal, Que., contd.	C. G. Greenshields, Q.C. J. H. Mowbray Jones Frank S. McGill, C.B. Maynard A. Metcalf	R. Panet-Raymond William H. Wallace Kenneth A. Wilson, Q.C. Albert E. Woods
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SAVINGS

Term Savings (Debentures and Guaranteed Investment Certificates) offer very attractive interest rates for terms that vary from one to five years. Inquire about current rates.

Savings Certificates are ideal for those who wish to take advantage of the present high interest rates but who wish to have liquidity as well. Certificates are for five year terms and earn 7⁰/₀ for the 1st, 2nd and 3rd years, and 7½⁰/₀ for the 4th and 5th year. They're cashable anytime but no interest is paid if held for less than two months.

OTHER SERVICES INCLUDE:

Will and Estate Planning • Executor and Trustee
Common Stock Investment Fund • Investment
Management • Registered Retirement Savings Plan
Real Estate • Property Management
and a wide range of Corporate services



CANADA
PERMANENT TRUST

2nd 1/4

Six months ended June 30, 1969

REPORT TO
SHAREHOLDERS

President's Report to Shareholders:

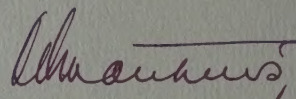
Our net profit for the first six months of 1969 increased by 6¢ per share over that earned in the comparable period of 1968. The operating profit, before realized profits or losses on the sale of securities and provisions for mortgage losses and income taxes, increased by \$300,000.

As indicated in the note below, the profit for the six months does not necessarily represent an annual rate of profit, because the flow of fees and commissions is uneven and tends to be heavier in the latter part of the year. On the other hand, the full effect of increases in the rate of interest payable on Special Savings Accounts, which were announced in the first six months, will not be reflected in our interest expense until the second half of 1969. We expect that improvement in revenues from the higher volume of commissions in the second half of the year will, in large measure, offset this increased cost.

Mortgage investments increased by \$42,000,000. Demand deposits and term deposits (Debentures and Guaranteed Investment Certificates) each increased by \$10,000,000. A decrease in our cash and short term investments provided the remainder of the funds.

Estate, trust and agency assets under administration increased by \$40,000,000 during the period.

As a major financial institution in Canada, your company is very concerned about inflationary trends and is watching with keen interest the effects of various anti-inflationary measures that have been instituted by Federal authorities.



A. Bruce Matthews

July 29, 1969

Canada Permanent / Second Quarter

Six Months Ended June 30, 1969

The financial statements are unaudited and subject to year-end adjustments. The net profit shown does not necessarily represent an annual rate of profit due to the irregularity in which fees and commissions are earned.

	1969	1968
Gross Revenue	\$49,794,212	\$44,510,645
Security Profits (Losses)	\$(78,663)	\$373,936
Net Profit	\$2,140,677	\$1,710,843
Net Profit per share*	30.1¢	24.1¢
Dividends	\$1,987,934	\$1,984,378
Dividends per share*	28¢	28¢

*based on shares outstanding at the end of the period

It is the policy of the Canada Permanent Companies to maintain a reserve against possible mortgage losses. The reserve is designed to cover not only occasional losses which occur in the normal course of business but also losses which could arise in the event of a major economic recession. In 1968 and prior years, amounts provided for mortgage losses were charged entirely against earnings.

In 1969 the policy was adopted of charging earnings only with the proportion of the provision relating to estimated losses in the normal course of business, with the balance being charged to Undivided Profits. Had this practice been followed in 1968 the net profit for the comparable period would have been \$453,000 — 6.4¢ per share higher than that reported.